

Instructions for Completing Form R-6922 Louisiana Composite Partnership Return

SPEC			П
CODE	Ш	Ш	Ш

This space on the tax return is to be used only when specifically instructed by LDR. Otherwise, leave blank.

WHO MUST FILE

Partnerships engaging in activities in Louisiana that have nonresident partners are required to file a composite partnership return unless,

- a. All nonresident partners are corporations, partnerships or tax exempt trusts; or
- b. All nonresident individual partners have a valid agreement on file with the Department of Revenue.

All nonresident partners who were partners at any time during the taxable year and who do not have a valid agreement on file with LDR must be included in the Louisiana Composite Partnership Return (See LAC 61:I.1401 available on the Department's website, www.revenue.louisiana.gov). The agreement, in the form of an affidavit, must include a statement that the taxpayer agrees to timely file a Louisiana Nonresident Individual Income Tax return and make payment of Louisiana individual income tax.

The following entities cannot be included in a composite return filing:

- Corporations are required to file Form CIFT-620 to report any partnership income.
- Resident estates and trusts are required to file Form IT-541 to report partnership income.
- Partners who are themselves partnerships cannot be included in a composite return. These partners must file all applicable Louisiana tax returns.
 Refer to LAC 61:I.1401.
- Partners who are Louisiana residents are required to file Form IT-540 to report partnership income. Refer to LAC 61.I.1401.

FILING REQUIREMENTS

Louisiana Revised Statute 47:201.1(F)(4) requires the electronic filing of all composite partnership returns. If tax credits are claimed on the composite return:

- ALL nonresident partners must be included on the return and on Schedule of Included Partner's Share of Income and Tax.
- ALL partners, including residents, corporations and other partnerships must be included on the Schedule of Not Included Partner's Share of Income and Tax.

WHEN TO FILE

The return for the calendar year must be filed with LDR on or before May 15 of the year following the close of the calendar year. Returns for fiscal years must be filed on or before the 15th day of the fifth month after the close of the fiscal period. If the due date falls on a weekend or legal holiday, the return is due on the next business day.

EXTENSIONS

The Secretary of the Louisiana Department of Revenue may grant an extension of time for filing the composite partnership return not to exceed six months from the date the return is due. Extensions must be filed electronically on or before the due date of the return. An extension can be requested on the LDR website at www.revenue.louisiana.gov.

PAYMENTS

An Electronic Funds Transfer (EFT) payment is required for all payments of tax due that exceed \$5,000.

REVENUE ACCOUNT NUMBER. FEIN. NAME AND ADDRESS

Please mark the appropriate box if your name has changed, if you are filing an amended return, if you are filing a final return, or if your address has changed. You must file using your 10-digit Louisiana Revenue Account Number. The Federal Employer Identification (FEIN) number cannot be used in place of the Revenue Account Number. Enter the FEIN number associated with the account number entered. A Revenue Account Number can be obtained by using our Online Business Registration application available on the Department's website at www.revenue.louisiana.gov.

ROUNDING TO WHOLE DOLLARS

Round cents to the nearest whole dollar on the composite partnership return. Total prepayments, including any credit carried forward from last year, should also be rounded to the nearest whole dollar.

AMENDED RETURNS

The "AMENDED RETURN" box on the Louisiana form should be clearly marked when filing an amended return. In order to amend the amounts reported, the taxpayer must file a revised Form R-6922, along with a detailed explanation of the changes.

TAX RATE

A tax rate of 6 percent (.06) is assessed on the total distributive shares for nonresident partners included on the Louisiana Composite Return.

INSTRUCTIONS FOR SCHEDULE OF INCLUDED PARTNER'S SHARE OF INCOME AND TAX

The Schedule of Included Partner's Share of Income and Tax is used to report the share of income and tax for each nonresident partner who does not have a valid agreement on file with LDR. If anything is reported on the Louisiana Composite Partnership Return, this schedule must be completed. Nonresidents with an agreement on file must be included on the Schedule of NOT Included Partner's Share of Income and Tax.

Exception: If tax credits are claimed on the composite return, all nonresidents must be included on the *Schedule of Included Partner's Share of Income* and *Tax* regardless of having a valid agreement on file. ALL other partners, including residents, corporations, and other partnerships must be included on the *Schedule of Not Included Partner's Share of Income and Tax*.

Partner Number – Begin with number 1 and use consecutive numbering for each partner who is a nonresident member of the partnership that is being included on the composite return. Provide a total for all partners on this schedule as applicable. Complete each row with the requested information for each partner.

SSN - Enter the Social Security Number of each partner required to be included on this schedule.

Name - Enter the name of the partner.

Address, City, State, and ZIP - Self-explanatory.

Partner's Share of Profit (%) – Enter the year-end percentage of each partner. This percentage is generally based on the partnership agreement. Enter the total for all partners on this schedule.

Partner's Share of Loss (%) – Enter the year-end percentage of each partner. This percentage is generally based on the partnership agreement. Enter the total for all partners on this schedule.

Partner's Share of Credits (%) – Enter the year-end percentage of each partner. This percentage is generally based on the partnership agreement. Enter the total for all partners on this schedule.

Resident of LA for Tax Year - Enter Yes or No.

Credits Claimed on the Return – Enter Yes or No indicating whether tax credits earned by the partnership flows through to the partners and are being claimed on the composite return. If tax credits are claimed on the composite return, all nonresidents must be included on this schedule.

Distributable Losses – Enter the amount of distributable losses that was derived from or attributable to sources in this state. Add all distributable losses and enter the total for all partners in the Total column.

Distributable Income – Enter the amount of distributable income that was derived from or attributable to sources in this state regardless of income being distributed. Each partner's share of the composite payment is calculated on this amount. Add all distributable income and enter the total for all partners in the Total column.

Income Tax Due – A tax rate of 6 percent (.06) is assessed on the amount of Distributable Income. Calculate the tax due for each partner and enter the total for all partners in the Total column.

Nonrefundable Priority 1 Credits – For each partner, enter their share of Nonrefundable Priority 1 Credits. Add the amount of Nonrefundable Credits and enter the total for all partners in the Total column.

Schedule NRC-P1 – Refer to the list of nonrefundable credits on Schedule NRC-P1. For each nonrefundable credit being claimed, enter the identifying three-digit code. Each credit must be listed separately. For each partner, enter their share of the applicable credit. Enter the total for all partners on this schedule. NOTE: Use only the codes referenced in the table of Schedule NRC-P1. The codes listed are not interchangeable with other codes listed in the instructions.

Income Tax Due after Nonrefundable Priority 1 Credits – For each partner, subtract Total Nonrefundable Priority 1 Credits from Income Tax Due and enter the results. This amount can not be less than zero. Enter the total for all partners on this schedule.

Louisiana Citizens Insurance Credit – For each partner, enter their share of the Louisiana Citizens Property insurance assessment that was included in the property's insurance premium and paid by the partnership. Act 9 of the 2016 Second Extraordinary Session has reduced the credit to 25 percent of the amount of assessment paid. Multiply the assessment amount by 25 percent (.25) before entering the partner's share. A copy of the declaration page that shows the separate charges for the LA Citizens assessments must be submitted with your return.

Refundable Priority 2 Credits – For each partner, enter their share of Refundable Priority 2 Credits. Add the amount of Refundable Credits and enter the total for all partners in the Total column.

Schedule RC-P2 – Refer to the list of refundable credits on Schedule RC-P2. For each refundable credit being claimed, enter the identifying code. Each credit must be listed separately. For each partner, enter their share of the applicable credit. Enter the total for all partners on this schedule. NOTE: Use only the codes referenced in the table of Schedule RC-P2. The codes listed are not interchangeable with other codes listed in the instructions.

Income Tax Due after Total Refundable Priority 2 Credits – For each partner, subtract Louisiana Citizens Insurance Credit and Refundable Priority 2 Credits from Income Tax Due after Total Refundable Priority 1 Credits and enter the results. This amount can not be less than zero. Enter the total for all partners on this schedule.

Nonrefundable Priority 3 Credits – For each partner, enter their share of Nonrefundable Priority 3 Credits. Add the amount of Nonrefundable Credits and enter the total for all partners in the Total column.

Schedule NRC-P3 - Refer to the list of nonrefundable credits on Schedule NRC-P3. For each nonrefundable credit being claimed, enter the identifying

code. Each credit must be listed separately. For each partner, enter their share of the applicable credit. Enter the total for all partners on this schedule. NOTE: Use only the codes referenced in the table of Schedule NRC-P3. The codes listed are not interchangeable with other codes listed in the instructions.

Amount Paid on Partner's Behalf – For each partner, subtract Nonrefundable Priority 3 Credits from Income Tax due after Total Refundable Priority 2 credits and enter the results. This amount can not be less than zero. Enter the total for all partners on this schedule.

Refundable Priority 4 Credits – For each partner, enter their share of Refundable Priority 4 Credits. Add the amount of Refundable Credits and enter the total for all partners in the Total column.

Schedule RC-P4 – Refer to the list of refundable credits on Schedule RC-P4. For each refundable credit being claimed, enter the identifying code. Each credit must be listed separately. For each partner, enter their share of the applicable credit. Enter the total for all partners on this schedule. NOTE: Use only the codes referenced in the table of Schedule RC-P4. The codes listed are not interchangeable with other codes listed in the instructions.

INSTRUCTIONS FOR SCHEDULE OF NOT INCLUDED PARTNER'S SHARE OF INCOME AND TAX

The Schedule of NOT Included Partner's Share of Income and Tax is used to report the share of income for each nonresident partner who has a valid agreement on file with LDR and is therefore not included on the composite return.

Exception: If tax credits are claimed on the composite return, all nonresidents must be on the *Schedule of Included Partner's Share of Income and Tax* regardless of having a valid agreement on file. ALL other partners, including residents, corporations and other partnerships must be included on *Schedule of Not Included Partner's Share of Income and Tax*.

Partner Number – Use consecutive numbering for each partner required to be listed on this schedule. Also provide a total for all partners on this schedule as applicable. Complete the remaining information for each partner on this schedule.

ID Type - Enter SSN if the partner is an individual. Enter FEIN if the partner is an entity such as a corporation, partnership, or trust.

SSN – If ID type is SSN, enter the Social Security Number of the partner required to be included on this schedule. If ID type is FEIN, enter the Federal Employer Identification Number of the partner.

Name – Enter the full name if the partner is an individual or the legal name of the entity.

Address, City, State, and ZIP - Self-explanatory.

Partner's Share of Profit (%) – Enter the year-end percentage of each partner. This percentage is generally based on the partnership agreement. Enter the total for all partners on this schedule.

Partner's Share of Loss (%) – Enter the year-end percentage of each partner. This percentage is generally based on the partnership agreement. Enter the total for all partners on this schedule.

Partner's Share of Credits (%) – Enter the year-end percentage of each partner. This percentage is generally based on the partnership agreement. Enter the total for all partners on this schedule.

Resident of LA for Tax Year - Enter Yes or No.

Nonresident Partner Agreement on File - Enter Yes or No indicating whether each nonresident partner has a valid agreement on file with LDR.

Distributable Losses – Enter the amount of distributable losses that was derived from or attributable to sources in this state. Add all distributable losses and enter the total for all partners in the Total column.

Distributable Income – Enter the amount of distributable income that was derived from or attributable to sources in this state regardless of income being distributed. Add all distributable income and enter the total for all partners in the Total column.

Nonrefundable Priority 1 Credits – For each partner, enter their share of Nonrefundable Priority 1 Credits. Add the amount of Nonrefundable Credits and enter the total for all partners in the Total column.

Schedule NRC-P1 – Refer to the list of nonrefundable credits on Schedule NRC-P1. For each nonrefundable credit being claimed, enter the identifying three-digit code. Each credit must be listed separately. For each partner, enter their share of the applicable credit. Enter the total for all partners on this schedule. NOTE: Use only the codes referenced in the table of Schedule NRC-P1. The codes listed are not interchangeable with other codes listed in the instructions.

Louisiana Citizens Insurance Credit – For each partner, enter their share of the Louisiana Citizens Property insurance assessment that was included in the property's insurance premium and paid by the partnership. Act 9 of the 2016 Second Extraordinary Session has reduced the credit to 25 percent of the amount of assessment paid. Multiply the assessment amount by 25 percent (.25) before entering the partner's share. A copy of the declaration page that shows the separate charges for the LA Citizens assessments must be submitted with your return.

Refundable Priority 2 Credits – For each partner, enter their share of Refundable Priority 2 Credits. Add the amount of Refundable Credits and enter the total for all partners in the Total column.

Schedule RC-P2 – Refer to the list of refundable credits on Schedule RC-P2. For each refundable credit being claimed, enter the identifying code. Each credit must be listed separately. For each partner, enter their share of the applicable credit. Enter the total for all partners on this schedule. NOTE: Use only the codes referenced in the table of Schedule RC-P2. The codes listed are not interchangeable with other codes listed in the instructions.

Nonrefundable Priority 3 Credits – For each partner, enter their share of Nonrefundable Priority 3 Credits. Add the amount of Nonrefundable Credits and enter the total for all partners in the Total column.

Schedule NRC-P3 – Refer to the list of nonrefundable credits on Schedule NRC-P3. For each nonrefundable credit being claimed, enter the identifying code. Each credit must be listed separately. For each partner, enter their share of the applicable credit. Enter the total for all partners on this schedule. NOTE: Use only the codes referenced in the table of Schedule NRC-P3. The codes listed are not interchangeable with other codes listed in the instructions.

Refundable Priority 4 Credits – For each partner, enter their share of Refundable Priority 4 Credits. Add the amount of Refundable Credits and enter the total for all partners in the Total column.

Schedule RC-P4 – Refer to the list of refundable credits on Schedule RC-P4. For each refundable credit being claimed, enter the identifying code. Each credit must be listed separately. For each partner, enter their share of the applicable credit. Enter the total for all partners on this schedule. NOTE: Use only the codes referenced in the table of Schedule RC-P4. The codes listed are not interchangeable with other codes listed in the instructions.

SUMMARY OF TAX PAID ON BEHALF OF NONRESIDENT PARTNERS

- LINE 1 Total Distributable Income for Nonresident Partners included with the Louisiana Composite Partnership Return Total from Schedule of Included Partner's Share of Income and Tax, Column M. Do not net distributable losses.
- LINE 2 Total Amount of Income Tax Due Enter the total from the Schedule of Included Partner's Share of Income and Tax, Column N.
- LINE 3 Total Nonrefundable Priority 1 Credits Enter the total amount of Nonrefundable Priority 1 Credits from Schedule NRC-P1, Line 5.
- LINE 4 Tax Liability after Nonrefundable Priority 1 Credits Subtract Line 3 from Line 2.
- **LINE 5 Louisiana Citizens Insurance Assessment Paid -** Enter the amount of the Louisiana Citizens Property insurance assessment that was included in the property's insurance premium and paid by the partnership. A copy of the declaration page that shows the separate charges for the LA Citizens assessments must be submitted with your return. For additional information regarding this credit, visit www.revenue.louisiana.gov/citizens.
- LINE 5A Louisiana Citizens Insurance Credit Multiply the amount on Line 5 by 25 percent (.25) and enter the result.
- LINE 6 Refundable Priority 2 Credits Enter the total amount of Refundable Priority 2 Credits from Schedule RC-P2, Line 9.
- LINE 7 Total Refundable Priority 2 Credits Add Lines 5A and 6.
- LINE 8 Tax Liability after Refundable Priority 2 Credits If Line 4 is greater than Line 7, subtract Line 7 from Line 4. Also, enter a zero "0" on Line 9 and go to Line 10. Otherwise, enter a zero "0" on Line 8 and go to Line 9.
- LINE 9 Overpayment after Refundable Priority 2 Credits If Line 7 is greater than Line 4, subtract Line 4 from Line 7.
- LINE 10 Nonrefundable Priority 3 Credits Enter the total amount of Nonrefundable Priority 3 Credits from Schedule NRC-P3, Line 11. These credits are limited to the tax liability calculated on Line 8.
- LINE 11 Adjusted Louisiana Income Tax Subtract Line 10 from Line 8. If the result is less than zero, enter "0".
- LINE 12 Overpayment of Refundable Priority 2 Credits Enter the amount from Line 9, if applicable.
- LINE 13 Refundable Priority 4 Credits Enter the total amount of Refundable Priority 4 Credits from Schedule RC-P4, Line 6.
- LINE 14 Amount of Credit Carried Forward from 2015 Enter the amount of any credit carried forward from 2015.
- LINE 15 Estimated payments for 2016 Enter the total amount of estimated payments the partnership made for 2016.
- LINE 16 Amount paid with extension request Enter the amount of payment made by the partnership with the 2016 extension request.
- LINE 17 Total refundable credits and payments Add Lines 12 through 16.
- LINE 18 Overpayment If Line 17 is greater than Line 11, subtract Line 11 from Line 17. This is the amount of your overpayment. If Line 17 is equal to Line 11, enter zero "0" on Line 18 through Line 25. If Line 17 is less than Line 11, enter a zero "0" on Lines 18 through 20 and go to Line 21.
- LINE 19 Enter the amount of your available overpayment shown on Line 18 that you wish to credit to 2017.
- LINE 20 Subtract Line 19 from Line 18. This amount is to be refunded.
- LINE 21 If Line 11 is greater than Line 17, subtract Line 17 from Line 11.
- LINE 22 Interest If your income tax amount is not paid by May 15, 2017, you will be charged interest on the unpaid tax from May 16, 2017, until the date the balance of tax due is paid. Because the interest rate varies from year to year, the rates are published in Form R-1111, Interest Rate Schedule Collected on Unpaid Taxes, which is available on LDR's website. In order to compute the INTEREST RATE PER DAY, multiply the monthly rate by 12, divide it by 365, and carry out to seven places to the right of the decimal. Example: Assume the 2017 monthly interest rate is determined to be .4375. Multiply .4375 times 12 = 5.25 percent (.0525), which equals the annual interest rate. Divide .0525 by 365, .0525/365 = .0001438, which equals the INTEREST RATE PER DAY. NOTE!! You must carry out your computation to seven places to the right of the decimal point.
- LINE 23 Delinquent filing penalty A delinquent filing penalty will be charged for failure to file a timely return on or before May 15, 2017, for calendar year filers. A penalty of five percent (.05) of the tax due accrues if the delay in filing is not more than 30 days. An additional five percent (.05) is assessed for each additional 30 days, or fraction thereof, during which the failure to file continues. By law, the maximum delinquent penalty that can be imposed is twenty-five percent (.25) of the tax due.

LINE 24 – Delinquent payment penalty - If you fail to pay the tax due by the due date, a delinquent payment penalty of 0.5 percent (.005) of the tax not paid by the due date will accrue for each 30 days, or fraction thereof, during which the failure to pay continues. This penalty cannot exceed 25 percent (.25) of the tax due.

Important Notice: The sum of both the delinquent filing and delinquent payment penalties cannot exceed 25 percent (.25) of the tax due. Thirty-day increments are used for the calculation of the delinquent filing and delinquent payment penalties. These penalties are based on the date LDR receives the return or payment. In addition to the delinquent penalties mentioned above, you may also incur a negligence penalty if circumstances indicate willful negligence or intentional disregard of rules and regulations.

LINE 25 – Balance Due Louisiana - Add Lines 21 through 24. You may make payment by credit card or electronic debit on www.revenue.louisiana.gov/fileonline. You may make payment by check or money order by using Composite Partnership Electronic Filing Payment Voucher, R-6922V.

INSTRUCTIONS FOR SCHEDULE NRC-P1, NONREFUNDABLE PRIORITY 1 CREDITS

Nonrefundable Priority 1 Credits, Lines 1 through 4

Nonrefundable credits available for the tax year ending December 31, 2016 are referenced individually by a three-digit code. Enter the credit description, identifying code, and the dollar amount claimed in the appropriate spaces on Lines 1 through 4. NOTE: Use only the codes referenced in the table of Schedule NRC-P1. The codes listed here are not interchangeable with other codes.

Line 5 – Total Nonrefundable Priority 1 Credits - Add Lines 1 through 4. Also, enter the result on the Louisiana Composite Partnership Return, R-6922, Line 3.

Code

- 100 Premium Tax R.S. 47:227 provides a credit for 72 percent of premium taxes paid during the preceding 12 months by an insurance company authorized to do business in Louisiana. The credit may be passed to individuals through certain legal entities such as partnerships.
- 120 Bone Marrow R.S. 47:287.758 provides a credit to employers authorized to do business in the state who incur bone marrow donor expense by developing a bone marrow donation program, educating employees related to bone marrow donations, making payments to a health care provider for determining tissue types of potential donors, and paying wages to an employee for time related to tissue typing and bone marrow donation. If the wage expense is used to obtain the credit, it cannot be deducted as an expense for income tax purposes. The amount of the credit is equal to 18 percent of the bone marrow donor expense paid or incurred by the employer during the tax year.
- 140 Nonviolent Offenders R.S. 47:287.752 provides a credit for a taxpayer who provides full-time employment to an individual who has been convicted of a first-time nonviolent offense, has completed a court-ordered program certified by the employee's probation officer, and has worked 180 days. A statement signed by both the employer and employee certifying the employee's full-time work status for the year must be attached to the return.
- 150 Qualified Playgrounds R.S. 47:6008 provides a credit for donations to assist qualified playgrounds. The credit is for the lesser of \$720 or 36 percent of the value of the cash, equipment, goods, or services donated. For more information on this credit, see Revenue

Ruling 02-020 posted on LDR's website.

- 155 Debt Issuance R.S. 47:6017 provides a credit for 72 percent of the amount of the filing fee paid to the Louisiana State Bond Commission, which is incurred by an economic development corporation in the preparation and issuance of bonds.
- 160 Contributions to Educational Institutions R.S. 47:37 and R.S. 47:287.755 provides a credit of 29 percent of the value of tangible property of a sophisticated and technical nature donated to educational institutions in the State of Louisiana. The institution that receives the donation must furnish to the donor or seller a certification of such donation, contribution, or sale below cost, which shall include the date and the value of other property donated, contributed, or sold.
- 175 Donations of Materials, Equipment, Advisors, Instructors R.S. 47:6012 provides a credit for employers within the state for donations of the newest technology available in materials, equipment, or instructors to public training providers, secondary and postsecondary vocational-technical schools, community colleges, or apprenticeship programs registered with the Louisiana Workforce Commission to assist in the development of training programs designed to meet industry needs. The credit is for 36 percent of the value of the donated materials, equipment, or services rendered by the instructor. When taken with other applicable credits, this credit cannot exceed 20 percent of the employer's tax liability for any taxable year.
- 199 Other Reserved for Future Credits

INSTRUCTIONS FOR SCHEDULE RC-P2, REFUNDABLE PRIORITY 2 CREDITS

Refundable Priority 2 Credits, Lines 1 through 8

Refundable credits available for the tax year ending December 31, 2016 are referenced individually by a three-digit code. Enter the credit description, identifying code, and the dollar amount claimed in the appropriate spaces on Lines 1 through 8. NOTE: Use only the codes referenced in the table of Schedule RC-P2. The codes listed here are not interchangeable with other codes.

Transferable, Refundable Priority 2 Credits, Lines 6 through 8 Complete Lines 6 through 8 ONLY if a transferable credit is claimed. For Lines 6A, 7A, and 8A, enter the LDR State Certification Number from form

R-6135, for the credits claimed on Lines 6, 7 and 8.

Line 9 - Total Refundable Priority 2 Credits — Add Lines 1 through 8. Also, enter the result on the Louisiana Composite Partnership Return, R-6922, Line 6.

Code

52F - Ad Valorem Offshore Vessels — R.S. 47:6006.1 allows a refundable credit for 100 percent of the ad valorem taxes paid on vessels in Outer Continental Shelf Lands Act Waters. The following must be attached to the return: a copy of the tax assessment, a copy of the cancelled check

INSTRUCTIONS FOR SCHEDULE RC-P2, REFUNDABLE PRIORITY 2 CREDITS... Continued

in payment of the tax, and a copy of a completed Form LAT 11A from the Louisiana Tax Commission.

- **54F Telephone Company Property** R.S. 47:6014 allows a refundable credit for up to 40 percent of the ad valorem taxes paid to Louisiana political subdivisions by a telephone company, with respect to that company's public service properties located in Louisiana. See Revenue Information Bulletin 01-004 on LDR's website. Both a copy of the tax assessment and a copy of the cancelled check in payment of the tax must be attached to the return.
- **55F Prison Industry Enhancement** R.S. 47:6018 allows a refundable credit for 72 percent of the state sales and use tax paid by a taxpayer on purchases of specialty apparel items from a private sector Prison Industry Enhancement (PIE) contractor. Contact LDR for further information regarding this credit.
- **56F Urban Revitalization** R.S. 51:1801 et seq. allow a refundable credit for investing in certain economically depressed areas of the state. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification of the credit must be attached to the return.
- **57F Mentor Protégé** R.S. 47:6027 allows a refundable credit for a mentor business that fulfills the terms of a Mentor-Protégé Agreement as approved by the Louisiana Department of Economic Development. A copy of the certification of the credit must be attached to the return.
- **58F Milk Producers** R.S. 47:6032 allows a refundable credit for a resident taxpayer engaged in the business of producing milk for sale. Those milk producers that have obtained permits under the Louisiana Administrative Code, Title 51 and have met the requirements of the Food and Drug Administration shall be certified by the Department of Health and Hospitals to receive the credit. For more information see Revenue Information Bulletin 08-014 on LDR's website.
- **59F Technology Commercialization** R.S. 51:2351 et seq. allows a refundable credit for a qualifying business that invests in the commercialization of Louisiana technology. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification of the credit must be attached to the return.
- **61F Angel Investor** R.S. 47:6020 allows a refundable credit to encourage third party investment of taxpayers who make qualified investments to certified Louisiana entrepreneurial businesses between January 1, 2005 and December 31, 2009. To earn the Angel Investor Tax Credit, taxpayers must file an application with the Louisiana Department of Economic Development. Refer to Revenue Information Bulletin 06-020 on LDR's website.
- **62F Musical and Theatrical Production** R.S. 47:6034 allows a refundable credit for the production expenses, employment of college and vocational-technical students, employment of residents, and for the construction, repair, or renovation of facilities related to productions and performances. No credit shall be allowed under this provision if credit has been granted for the Motion Picture Investment or Infrastructure credit (R.S. 47:6007) or the Sound Recording Investment credit (R.S. 47:6023). Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification must be attached to the return.
- **65F School Readiness Child Care Provider** R.S. 47:6105 allows a refundable credit for a child care provider who operates a facility or facilities where care is given to foster children in the custody of the Louisiana Department of Children and Family Services (DCFS) or to children who participate in the Child Care Assistance Program administered by the Louisiana Department of Education (LDE). The credit is based on the average monthly number of children who attended the facility multiplied by an amount based on the quality rating of the child care facility. For more infor-

mation regarding this credit, contact Louisiana Department of Education.

- **67F School Readiness Business-Supported Child Care** R.S. 47:6107 allows a refundable credit for a taxpayer who incurs eligible business-supported child care expenses. The percentage of eligible expenses allowed for the credit depends on the quality rating of the child care facility to which the expenses are related or the quality rating of the child care facility that the child attends. Copies of cancelled checks and other documentation to support the amount of eligible expenses must be maintained and provided upon request. For more information regarding this credit, contact the Louisiana Department of Education.
- **68F School Readiness Fees and Grants to Resource and Referral Agencies** R.S. 47:6107 allows a refundable credit for the payment by a business of fees and grants to child care resource and referral agencies. The credit can not exceed \$5,000 per tax year. For more information regarding this credit, please contact the Louisiana Department of Education.
- **70F Retention and Modernization** R.S. 51:2399.1 et seq. allows a refundable credit for an employer who incurs qualified expenditures to modernize existing operations in Louisiana to retain the business in the state. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification of the credit must be attached to the return.
- 71F Conversion of Vehicle to Alternative Fuel R.S. 47:6035 allows a refundable credit for the purchase of, or conversion of a vehicle designed to run on an alternative fuel. See Revenue Information Bulletin No. 13-023 for definition of alternative fuel. The credit is not allowed for the costs associated with the purchase or conversion of a flexible fuel vehicle, designed to run on both alternative fuel and gasoline or diesel. The purchased vehicle must be properly registered with the Louisiana Department of Public Safety. You must attach documentation verifying the conversion or purchase of the vehicle. The credit is for 36 percent of the cost of the qualified clean-burning motor vehicle fuel property that has been purchased or installed. If the taxpayer is unable to determine the exact cost attributable to the qualified clean-burning motor vehicle, the credit amount currently allowed is equal to 7.2 percent of the cost or \$1,500, whichever is less.
- **73F Digital Interactive Media & Software** R.S. 47:6022 allows a refundable credit for the investment in businesses specializing in digital interactive media and software. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification of the credit must be attached to the return. See Revenue Information Bulletin 12-017 on LDR's website.
- 74F Solar Energy Systems Leased R.S. 47:6030 allows a refundable credit for taxpayers who purchased and installed, through a lease with the residence owner, a solar electric system at a single-family detached residence located in the state. Only one credit is allowed per residence including prior installations for which a credit was received. The credit is equal to 38 percent of the first \$20,000 of the cost of such system. For the purpose of determining the amount of the credit on leased systems, the cost of a system is limited to no more than \$2 per watt for a system purchased and installed on or after July 1, 2015. Since the system is limited to providing for no more than six kilowatts of energy, the maximum credit base for leased systems is \$12,000. Form R-1086, available on LDR's website, must be attached to your return as documentation for this credit. When taking this credit, the taxpayer will not be eligible for any other state tax credit, exemption, exclusion, deduction, or any other tax benefit for that property. See Revenue Information Bulletin 15-026 on LDR's website.
- 80F Other Refundable Credit Reserved for future credits.

INSTRUCTIONS FOR SCHEDULE NRC-P3, Nonrefundable Priority 3 Credits

Nonrefundable Priority 3 Credits, Lines 1 through 10

Additional nonrefundable credits available for the tax year ending December 31, 2016 are referenced individually by a three-digit code. Enter the credit description, identifying code, and the dollar amount claimed in the appropriate spaces on Lines 1 through 10. For Lines 7A, 8A, 9A and 10A, enter the State Certification Number from Form R-6135 for credits claimed on Lines 7 through 10.

Line 11 – Add Lines 1 through 10. Also, enter the amount on the Louisiana Composite Partnership Return, R-6922, Line 10.

NOTE: Use only the codes referenced in the table on Schedule NRC-P3. The codes listed here are not interchangeable with other codes listed in this booklet.

CODE CREDIT DESCRIPTION

- 200 Atchafalaya Trace R.S. 25:1226.4 provides a credit to certain heritage-based cottage industries that have entered into a contract with the State Board of Commerce and Industry. A copy of the contract must be attached to the return.
- 208 Previously Unemployed R.S. 47:6004 provides a credit for hiring a previously unemployed person who participates in the Family Independence Work Program in a newly created full-time job.
- 210 Recycling Credit R.S. 47:6005 provides a credit for the purchase of certain equipment or service contracts related to recycling. The credit must be certified by the Louisiana Department of Environmental Quality and a copy of the certification must be attached to the return.
- 212 Basic Skills Training R.S. 47:6009 provides a credit for employers who pay for training to bring employees' reading, writing, or mathematical skills to at least the 12th grade level. The credit cannot exceed \$180 per participating employee and cannot exceed \$21,600 for the tax year.
- 218 Inventory Tax Credit Carried Forward and ITEP Use this code for the current year credit and carryforward of credit deemed nonrefundable by Act 5 of the 2016 Second Extraordinary Session (ITEP), and for carryforward of credit (not current year credit) deemed nonrefundable by Act 133 of the 2015 Regular Session and by Act 4 of the 2016 Second Extraordinary Session. R.S. 47:6006 allows a credit against income tax for ad valorem taxes paid to political subdivisions in Louisiana on inventory held by manufacturers, distributors, or retailers. Act 4 of the 2016 Second Extraordinary Session changed the limitation on the amount of the excess credit over tax that is refunded, and required that groups of affiliated companies be treated as one taxpayer for purposes of the limitations on refundability, for the credit claimed on returns filed on or after July 1, 2016. Act 5 of the 2016 Second Extraordinary Session changed the inventory tax credit to a nonrefundable credit for taxes paid on inventory by any manufacturer who claimed the property tax exemption under the Industrial Tax Exemption Program (ITEP) during the same year the inventory taxes were paid, and taxes paid by any company related to such manufacturer for taxes paid on inventory that is related to the business of such manufacturer.
- 219 Ad Valorem Natural Gas Credit Carried Forward Use this code for carryforward of credit (not current year credit) deemed nonrefundable by Act 133 of the 2015 Regular Session and by Act 4 of the 2016 Second Extraordinary Session. R.S. 47:6006 allows a credit against income tax for ad valorem taxes paid to political subdivisions in Louisiana on natural gas held, used or consumed by in providing natural gas storage services or operating natural gas storage facilities. Act 4 of the 2016 Second Extraordinary Session changed the limitation on the amount of the excess credit over tax that is refunded, and required that groups of affiliated companies be treated as one taxpayer for

CODE CREDIT DESCRIPTION

purposes of the limitations on refundability, for the credit claimed on returns filed on or after July 1, 2016.

- 224 New Jobs Credit R.S. 47:34 and R.S. 47:287.749 provide a credit to employers who establish or expand a business in the state. A schedule that includes the calculation of the credit must be attached to the return and must include the name, address, and Social Security Number of each new employee; highest number of full-time and qualified part-time employees during the previous year; highest number of full-time and part-time employees during the current year; number of new employees hired for new jobs created during this taxable year; and amount of credit carried forward from the previous year.
- 226 Refund by Utilities R.S. 47:287.664 provides a credit for certain court ordered refunds made by utilities to its customers.
- 228 Eligible Re-entrants R.S. 47:287.748 provides a credit to a taxpayer who employs an eligible re-entrant in Louisiana. An eligible re-entrant is defined as a person who has been convicted of a felony and who has successfully completed the Intensive Incarceration Program, as provided in R.S. 15:574.4.
- 230 Neighborhood Assistance R.S. 47:35 and R.S. 47:287.753 provide a credit for an entity engaged in the activities of providing neighborhood assistance, job training, education for individuals, community services, or crime prevention in Louisiana. The credit is equal to 50 percent of the amount contributed and can not exceed \$180,000.
- 231 Research and Development R.S. 47:6015(K) allows a credit for any taxpayer who claims a federal income tax credit under 26 U.S.C. §41(a) for increasing research activities. Use this code for Research and Development credits earned for expenditures made beginning January 1, 2015. The credit is obtained through the Louisiana Department of Economic Development and documentation from that agency must be attached to the return. See Revenue Information Bulletin 15-019 on LDR's website.
- 232 Cane River Heritage R.S. 47:6026 provides a credit for a heritage-based cottage industry located or to be located in the Cane River Heritage Area Development Zone. The taxpayer must enter into a contract with the Louisiana Department of Culture, Recreation, and Tourism, and a copy of the contract must be attached to the return.
- 234 LA Community Economic Development R.S. 47:6031 provides a credit for money donated, contributed, or represented by a sale below cost by the taxpayer to a certified community development corporation or a certified community development financial institution. The credit must be certified by the Louisiana Department of Economic Development, and a copy of the certification must be attached to the return.
- 236 Apprenticeship R.S. 47:6033 provides a credit to employers for one dollar for each hour of employment of an eligible apprentice, limited to 1,000 hours for each eligible apprentice. An eligible apprentice is a person who has entered into a written apprentice agreement with an employer or an association of employers pursuant to a registered apprenticeship program or who is enrolled in a training program accredited by the National Center for Construction Education and Research. For more information regarding this credit, contact the Louisiana Workforce Commission.
- 238 Ports of Louisiana Investor R.S. 47:6036(C) provides a credit to taxpayers to encourage investment in state port facilities in Louisiana. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification of the credit must be attached to the return.
- 240 Ports of Louisiana Import Export Cargo R.S. 47:6036(I) provides a credit to individuals to encourage the use of state

INSTRUCTIONS FOR SCHEDULE NRC-P3, Nonrefundable Priority 3 Credits...Continued

CREDIT DESCRIPTION

port facilities in Louisiana. The credit is based on the number of tons of qualified cargo imported and exported from or to manufacturing, fabrication, assembly, distribution, processing, or warehousing facilities located in the state. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification of the credit must be attached to the return.

CODE

- 251 Motion Picture Investment R.S. 47:6007(C)(1) provides a credit for an individual taxpayer residing in Louisiana who invests in a state-certified, motion picture production. Taxpayers taking this credit may attach Form R-10611, available on LDR's website, as documentation for this credit. See Revenue Information Bulletin 15-033 for more information.
- 252 Research and Development R.S. 47:6015 provides a credit for any taxpayer who claims a federal income tax credit under 26 U.S.C. §41(a) for increasing research activities. Use this code for Research and Development credits earned for expenditures made in tax years prior to January 1, 2009. See Revenue Information Bulletin 09-020 on LDR's website.
- 253 Historic Structures R.S. 47:6019 provides a credit if the taxpayer incurs certain expenses during the rehabilitation of a historic structure that is located in a Downtown Development District or cultural district. Refer to Revenue Information Bulletin 14-007 and 14-007A on LDR's website.
- 254 Digital Interactive Media R.S. 47:6022 provides a credit to taxpayers for the investment in businesses specializing in digital interactive media. Use this code for Digital Interactive Media credits earned for expenditures made prior to January 1, 2012. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification of the credit must be attached to the return. See Revenue Information Bulletin 12-017 on LDR's website.
- 256 Motion Picture Employment of Resident R.S. 47:1125.1 provides a credit for the employment of residents of Louisiana in connection with the production of a motion picture. The credit may flow to an individual via a partnership, limited liability company, Subchapter S Corporation, or other entities. Refer to Revenue Information Bulletin 05-005 on LDR's website.
- 257 Capital Company R.S. 51:1924 provides a credit for any person who invests in a certified Louisiana Capital Company. This credit must be approved by the Commissioner of the Louisiana Office of Financial Institutions. A copy of the certification must be attached to the return.
- 258 LA Community Development Financial Institution (LCDFI)
 R.S. 51:3085 et seq. provides a credit for certain investments in an LCDFI to encourage the expansion of businesses in economically distressed areas. The Louisiana Office of Financial Institutions administers this program.
- 259 New Markets R.S. 47:6016 provides a credit if the taxpayer makes certain qualified low-income community investments, as defined in Section 45D of the Internal Revenue Code. The tax-payer must be certified by the Louisiana Department of Economic Development and approved by LDR. Information on the program investment limits are posted as Revenue Information Bulletins on LDR's website.
- 260 Brownfields Investor Credit R.S. 47:6021 provides a credit to taxpayers to encourage the cleanup, redevelopment, and productive reuse of brownfields sites in the state. The credit is obtained through the Louisiana Department of Economic Development and the Louisiana Department of Environmental Quality.
- 261 Motion Picture Infrastructure R.S. 47:6007(C)(2) provides

a credit for an approved state-certified infrastructure project for a film, video, television, or digital production or postproduction facility. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification of the credit must be attached to the return. Refer to Revenue Information Bulletin 06-004 on LDR's website.

CREDIT DESCRIPTION

- 262 Angel Investor R.S. 47:6020 provides a credit for taxpayers who make third party investments in certified Louisiana entrepreneurial businesses on or after January 1, 2011. To earn the Angel Investor Credit, taxpayers must file an application with the Louisiana Department of Economic Development. See Revenue Information Bulletin 12-009 on LDR's website.
- 299 Other Reserved for future credits.
- 300 Biomed/University Research R.S. 17:3389 provides a credit to persons who establish research activities either in a Biomedical or a University Research and Development Park. The taxpayer must enter into a contract with the Louisiana Department of Economic Development, and a copy of the contract showing the credit granted must be attached to the return.
- 305 Tax Equalization R.S. 47:3201 et seq. provides a credit for tax equalization for certain businesses locating in Louisiana. The tax-payer must enter into a contract with the Louisiana Department of Economic Development, and a copy of the contract showing the credit granted must be attached to the return.
- 310 Manufacturing Establishments R.S. 47:4301 et seq. provides a credit to certain manufacturing establishments that have entered into a contract with the Louisiana Department of Economic Development. A copy of the contract showing the credit granted must be attached to the return.
- 315 Enterprise Zone R.S. 51:1781 et seq. provides a credit for private sector investments in certain areas that are designated as "Enterprise Zones." The taxpayer must enter into a contract with the Louisiana Department of Economic Development, and a copy of the contract showing the credit granted must be attached to the return.
- **399** Other Reserved for future credits.

Instructions for Schedule RC-P4, Refundable Priority 4 Credits

Refundable Priority 4 Credits, Lines 1 through 5

Additional refundable credits available for the tax year ending December 31, 2016 are referenced individually by a three-digit code. Please enter the credit description, identifying code and the dollar amount claimed in the appropriate spaces on Lines 1 through 5.

Line 6 – Add Lines 1 through 5. Also, enter the amount on the Louisiana Composite Partnership Return, R-6922, Line 13.

NOTE: Use only the codes referenced in the table on Schedule RC-P4. The codes listed here are not interchangeable with other codes listed in this booklet.

CODE

CREDIT DESCRIPTION

50F - Inventory Tax - You must use Form R-10610 to calculate the amount of credit you can claim. R.S. 47:6006 allows a credit against income tax for ad valorem taxes paid to political subdivisions in Louisiana on inventory held by manufacturers, distributors, or retailers. Act 4 of the 2016 Second Extraordinary Session changed the limitation on the amount of the excess credit over tax that is refunded, and required that groups of affiliated companies be treated as one taxpayer for purposes of the limitations on refundability. Except for new business entities formed or first registered to do business in Louisiana after April 15, 2016, Act 4 deemed that if the total amount eligible for the credit is less than or equal to \$500,000, 100 percent of any excess credit is refundable, and for total eligible amounts above \$500,000, 75 percent of any excess credit up to a maximum of \$750,000 is refundable. For new business entities formed or first registered to do business in Louisiana after April 15, 2016, Act 4 deemed that if the total amount eligible for the credit is less than \$10,000, 100 percent of any excess credit is refundable, and for total eligible amounts \$10,000 or more, 75 percent of any excess credit up to a maximum of \$750,000 is refundable. Act 5 of the 2016 Second Extraordinary Session changed the inventory tax credit to a nonrefundable credit for taxes paid on inventory by any manufacturer who claimed the property tax exemption under the Industrial Tax Exemption program (ITEP) during the same year the inventory taxes were paid, and for taxes paid by any company related to such manufacturer on inventory that is related to the business of such manufacturer. CODE CREDIT DESCRIPTION

51F - Ad Valorem Natural Gas - You must use Form R-10610 to calculate the amount of credit you can claim. R.S. 47:6006 allows a credit against income tax for ad valorem taxes paid to political subdivisions in Louisiana on natural gas held, used or consumed by in providing natural gas storage services or operating natural gas storage facilities. Act 4 of the 2016 Second Extraordinary Session changed the limitation on the amount of the excess credit over tax that is refunded, and required that groups of affiliated companies be treated as one taxpayer for purposes of the limitations on refundability, for the credit claimed on returns filed on or after July 1, 2016. Except for new business entities formed or first registered to do business in Louisiana after April 15, 2016, Act 4 deemed that if the total amount eligible for the credit is less than or equal to \$500,000, 100 percent of any excess credit is refundable, and for total eligible amounts above \$500,000, 75 percent of any excess credit up to a maximum of \$750,000 is refundable. For new business entities formed or first registered to do business in Louisiana after April 15, 2016, Act 4 deemed that if the total amount eligible for the credit is less than \$10,000, 100 percent of any excess credit is refundable, and for total eligible amounts \$10,000 or more, 75 percent of any excess credit up to a maximum of \$750,000 is refundable.